

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Alvord, IA Post Office

Docket No. A2012-94

PUBLIC REPRESENTATIVE COMMENTS  
SUPPORTING REMAND  
(February 9, 2012)

I. INTRODUCTION AND BACKGROUND

On December 1, 2012, the Commission received an appeal letter from Dr. and Mrs. Robert Hodgson objecting to the closing of the post office in Alvord, IA.<sup>1</sup> On December 29, 2011, the Commission issued Order No. 1082 accepting the appeal, directing the Postal Service to file the administrative record by December 16, 2011, establishing a procedural schedule, and naming the undersigned Public Representative.<sup>2</sup> On December 15, 2011, the Postal Service filed the administrative record.<sup>3</sup> On January 26, 2012, the Postal Service filed a correction to the administrative record.<sup>4</sup> The Postal Service will serve Alvord via rural carrier.<sup>5</sup> The Commission received petitions from several other residents, and also received numerous participant statements from concerned parties opposed to the closing of the Alvord Post Office.

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<sup>1</sup> Petition for Review Received from Dr. and Mrs. Robert Hodgson Regarding the Alvord, IA Post Office 51230, December 1, 2011.

<sup>2</sup> Notice and Order Accepting Appeal and Establishing Procedural Schedule, December 29, 2011.

<sup>3</sup> United States Postal Service Notice of Filing of Administrative Record, December 15, 2011.

<sup>4</sup> United States Postal Service Notice of Supplemental Filing, January 26, 2012 (Supplemental Filing).

<sup>5</sup> Final Determination (FD) at 1. The Final Determination is included in the Administrative Record (AR) as Item No. 47.

## II. ADEQUACY OF THE POSTAL SERVICE'S FINAL DETERMINATION

After careful review of the Postal Service's Final Determination, the materials in the Administrative Record, the arguments presented by Petitioners and the Petition submitted by customers of the Alvord Post Office, and the Postal Service Comments, the Public Representative concludes that the Postal Service has followed applicable procedures, that the decision to close the Alvord Post Office is arbitrary or capricious, and that the Postal Service's decision is not supported by substantial evidence.

The Postal Service asserts that it followed all procedures and considered all factors required by law.<sup>6</sup> It does appear that the Postal Service followed proper procedures. However, it fails to demonstrate that it meets other statutory criteria for closing the Alvord Post Office. Specifically, the Postal Service fails to effectively evaluate the economic savings, responsiveness to community postal needs, as well as the effect on the community.

*Economic Savings.* The Postal Service estimates closing the Alvord Post Office to reap an annual savings of approximately \$33, 686. FD at 10. While \$3,660 of this amount constitutes the annual rent, the majority of these savings are attributable to the salary and related benefits of the former postmaster who worked at the post office until February 3, 2010. FD at 2. The Postal Service's documentation does not reconcile the supposed savings with the salary and benefits received by the OIC currently operating out of the Alvord Post Office, nor does the Administrative Record attempt to either justify or explain the reason for not relying upon actual costs that will be eliminated to measure savings. There is no indication of what potential positions may be filled by this employee at other postal facilities that might serve to negate anticipated savings of salary and benefits reaped by discontinuing the Alvord Post Office. If greater consideration were given to such information and provided in the record, the actual economic impact could be measured more accurately.

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<sup>6</sup> United States Postal Service Comments Regarding Appeal, January 26, 2012, at 3 (Postal Service Comments).

The Postal Service also filed a correction to the Administrative Record. The correction indicates that the Postal Service did not consider the additional cost of installing Cluster Box Units (CBUs) in its original Final Determination, which adds an extra one-time expense of \$11,844.75. Notwithstanding that this is an initial outlay of funds and not an annual cost, the fact that the Postal Service failed to consider it in the official Administrative Record indicates that the Postal Service did not properly evaluate economic costs before making its decision to close the Alvord Post Office.

Citizens of Alvord noted for the Postal Service in its discontinuance study that Alvord was a growing town with four new businesses all using the Alvord Post Office for multiple transactions a week, as well as the local bank buying \$20,000 of postage for its postage meter. Administrative Record (AR), Item 28 at 16-17. However, the Postal Service only evaluated revenue from fiscal years 2008, 2009, and 2010. FD at 2. This analysis fails to take into account any additional revenue due to the new businesses.

If all Postal Service closing costs are accurately measured, and the revenues lost and the costs to the general public imposed on the community are taken into account and considered accurately, the economic savings might be negative. Without more information, the actual savings and even potential net costs are unknown. The failure to reasonably consider the economic savings is contrary to the provisions of section 404.

*Responsiveness to Community Postal Needs.* The Postal Service's proposal does not demonstrate that Alvord, IA will continue to receive effective and regular service. Several citizens were concerned with the effectiveness of rural route service for businesses in Alvord. Owners of businesses stated it would be a hardship on them if the Alvord Post Office closed, as they relied on the mail coming in and going out in a timely manner. AR, Item 22 at 71a. See *also* AR, Item 22 at 21b; Item 22 at 59c; Item 22 at 64b. The businesses would have to close early in order to drive to another to another post office to facilitate their daily afternoon mailing needs. AR, Item 22 at 64b. In addition, the amount of money customers would be required to spend on gas to drive to a neighboring post office daily would be harmful to the local businesses. AR, Item 22 at 54b.

*Effect on the Community.* The community's response to the Postal Service's proposal to close the Alvord Post Office, as well as to the Final Determination, demonstrate that the Postal Service may not have fully evaluated the effect the closing would have on the community. Residents were concerned not only about losing a meeting place, but on legitimate and tangible effects the closing would have on the community.<sup>7</sup> AR, Item 22 at 59c. In addition, the vast majority of the town protested the closing. A petition supporting the retention of the Alvord Post Office was received by the Postal Service with 120 signatures. FD at 2. According to 2010 census, the population of Alvord was 196.<sup>8</sup> Thus, at least 61% of the residents objected to the closing.

The Administrative Record includes a record of the Postal Service's responses to customer concerns, entitled Analysis of Questionnaires. AR, Item 23. This document provides generalized, boiler-plate responses to questions asked by customers of a specific postal facility, in a specific region of the country. *Id.* The questions, too, appear to have been generalized or summarized, for simpler recording and response purposes. Additionally, customers who attended the public meeting were left with the impression that while the meeting was purportedly held to gain public input, the decision to close the Alvord Post Office had already been made. AR, Item 28 at 22; Participant Statement Received from Carolyn Hein, February 1, 2012. According to customers, the Postal Service representative ended the meeting before members of the community were ready, and was not able to provide information regarding who residents should contact to submit written comments. *Id.* The Postal Service's conduct and failure to provide substantive responses to customers' comments and suggestions are evidence that it had no intention of soliciting customer input for the purpose of determining if closure was appropriate.

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<sup>7</sup> For example, one resident stated, "Closing this post office will hurt and kill this town when we are trying to promote business and the use of our community banquet rooms, shelter houses, parks, gun clubs and homebuilding and relocation in our town, not try to shut it down." AR, Item 22 at 59c.

<sup>8</sup> <http://www.census.gov/popfinder/>, accessed February 9, 2012.

For the foregoing reasons, the Public Representative submits that the procedures followed in this case for public involvement do not serve the broader interest of fostering public confidence in the fairness of post office closings. The Commission has recognized that the failure to provide customers with a meaningful opportunity to comment on proposed post office closings fosters the "appearance that seeking customer comment is merely an afterthought" and, as such, only devalues customer input.<sup>9</sup> The goal should not merely be public participation, but meaningful public participation.

### III. CONCLUSION

For the reasons set forth above, the decision of the Postal Service to close the Alvord Post Office should be remanded.

Respectfully Submitted,

/s/ Laura R. Schwartz

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<sup>9</sup> Docket No. N2009-1, Advisory Opinion Concerning the Process for Evaluating Closing Stations and Branches, March 3, 2010, at 59.